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PRINCIPLES OF POLITICAL ECONOMY. By J. Shield Nicholson, M.A., D.Sc. Vol. I. London: Adam & Charles Black. Pp. xiii, 451.

Professor Nicholson's treatise, so far as we may judge from the first volume, promises to be an important contribution to economic literature. To some extent the author has stated the case for one side of a controversy of which we shall probably hear more as time goes on. The trenchant criticisms to which political economy has recently been submitted in many quarters have not been altogether without effect on the official exponents of the science in Great Britain. We have already among us a school of economists who, while anxious to maintain unbroken continuity with the traditions of the past, nevertheless desire to see the science strengthen its position by obtaining a firmer grasp of the nature of the forces which are moving our social institutions as a whole—a school the members of which are impressed with a sense of the unity underlying our social problems, and of the intimate relationship of economics to history on the one side and ethics on the other, and of its ultimate tendency to be deeply influenced by the advances which are being made in the biological group of sciences. Professor Marshall's "Principles of Economics," published three years ago, has given a great stimulus to this school in England. In Professor Nicholson's book we have what must in one sense be considered as a brief on the other side. Professor Marshall has regarded political economy as "a study of man's actions in the ordinary business of life." Economics, he has told us, "is a science of human action; and economic laws, properly so called, are laws of human action." Professor Nicholson, on the other hand, insists that it is the duty of the economist to fix his attention on wealth, and to consider other social factors only so far as they apparently affect wealth. While he allows that no economist imagines that wealth can be treated quite independently of other social phenomena, he considers that there is a science concerned with wealth sufficiently distinct and sufficiently important to be studied separately; and he even goes so far as to say that biology has about as much to do with political economy as with constitutional history, and apparently (by inference from his text) as little as astronomy with æsthetics. As to the relationship of the science of economics to ethics he is equally uncompromising. He quotes with approval Sir Frederick Pollock to the effect that the analytical branch of

political science is altogether independent of ethical theories ; and he expresses strongly his dissent from the view that the comparison of ethical ideals, or the arbitrary choice of one in particular, comes within the province of political economy.

Now, while nothing but good can come of having this side of the question so clearly and forcibly stated as it is in these pages, we venture to doubt whether Professor Nicholson has quite fully realized the nature of the case on the other side or the strength of the position which its advocates have taken up. His strongest plea is one which he does not appear to make much of, namely, that the science of sociology as a whole is still in its youth. But admitting that it is making rapid progress, and no one who is familiar with the present outlook can deny it, it seems almost impossible to resist the conclusion that the science of political economy must be ultimately far more deeply influenced than Professor Nicholson deems possible by the advances which are being made in other branches of knowledge. We must always remember that we have in human society, and, in particular, in that aspect of it with which the economist is concerned, only the highest phase of that struggle for existence with which the biologist has already dealt on a lower plane. It is with the complex aspects of this struggle that the political economist is in reality dealing when he is concerned with the distribution of wealth. As Mill was clear-sighted enough to observe, "only through the principle of competition has political economy any pretension to the character of a science." Once we admit this, we have extended the frontiers of political economy to include a far wider territory than Professor Nicholson deems it to be his duty to be concerned with. If the principle of competition occupies this central position in the science, then political economy, if it is to retain the influence which it has won in the past, must be concerned not only with the study of our social phenomena as they exist, but also to some extent with the study of the forces which are behind them, and which are continually modifying them. As a matter of fact, it is this neglect of the study of the springs of human conduct which has brought the older school of economists into a kind of antagonism with a large section of those who are in actual touch with the political and social problems of the time—an antagonism so significant that there is probably not any greater misfortune which could befall either of the two great political parties in England, at the present time, than to be seriously suspected of being identified with that school. Professor

Nicholson apparently misunderstands, to some extent, the position taken up by those who urge a connection between the science of political economy and the science of ethics. He appears to conceive the former to be altogether independent of the latter *because the arbitrary choice of a particular ethical ideal does not come within the province of economics*. But who is there who seriously urges that it is any more the duty of a professor of the science of economics to advocate the choice of a particular ethical ideal than it is his duty to advocate the choice of a particular religion? What many of us, who cannot quite agree with Professor Nicholson, do however urge, and urge strongly, is that, as political economy deals in the widest sense with the results of man's actions in society (when it deals with the production and distribution of wealth), that science must ultimately have very intimate connections with the department of knowledge which treats of man as a source of action, namely, ethics. To admit this is not in any way to exclude the conviction that political economy will continue to advance strictly in the spirit of the scientific traditions of the past. But while we may confidently look to it to enunciate a certain body of principles partaking of the character of physical laws (such as the law of diminishing returns), we may also venture to hope that a study, at once wider and closer, of the forces which are moving society will enable the economist in the future to judge with greater certainty of the direction in which our social phenomena are being modified by those forces, and to estimate more accurately than he has hitherto been able to do the limits within which such modification will take place.

One of the most interesting sections of the book is that on "Ideal Economic Distribution." Professor Nicholson dissents from the statement, quoted from Sidgwick's "Principles," that "the aim of *Economic* distribution is to apportion the produce among the members of the community so that the greatest amount of utility or satisfaction may be derived from it." He does not regard the ideal of the greatest utility as necessarily the same thing as the ideal of the greatest happiness of the greatest number. Maximum freedom is to him at least as attractive, and he adds, pregnantly, "For my own part, I should not care to regard equality of distribution, even if it could be shown to be both practicable and also productive of maximum happiness, as the ultimate goal of human progress" (p. 233). Professor Nicholson in this will have most evolutionists with him. Despite his earlier remarks as

to the want of connection between economics and the biological group of sciences, the truth underlying this statement never comes home so directly to any one else as to the biological student. It is the latter who is able to grasp at the outset the importance of the fundamental fact that the forces concerned in our evolution in society are not those which make primarily for our happiness, but rather those which tend to bring all the members of society into the fairest and freest rivalry it is possible to attain to. Hence all our progress, as Professor Marshall has well remarked, is towards "freedom of industry and enterprise, or, more shortly, economic freedom."

Professor Nicholson's criticism of modern socialism is scarcely as full or as searching as could be wished. It can hardly be questioned nowadays that economists would better serve the cause of science by following the example of Schäffle in undertaking a more detailed examination of the proposals of socialism, rather than by confining themselves to general remarks as to the impossibility or the impracticability of socialist utopias. It is the more regrettable that Professor Nicholson has followed the general custom, as he seems to have a firm grasp of the important fact, missed by many in these times, that the ultimate effect of most of the apparent exceptions to the freedom of contract which we are allowing under the pressure of so-called socialist tendencies, is not to limit this freedom, but to give it reality.

BENJAMIN KIDD.

A HISTORY OF SOCIALISM. By Thomas Kirkup. Edinburgh: A. & C. Black.

It is somewhat difficult to discover the position which Mr. Kirkup intended his work to occupy with regard to the history of Socialism. To a writer treating of a movement such as this there are at least three ways open. He may examine the nature of Socialism, putting it in his mental balance and pronouncing his judgment in its disparagement or its favor; or he may pass in review the theories of its chief supporters, expounding, contrasting, and examining them. But there is still a third way. He may write the history of the movement in its true sense, that is, describe its origin and progress. As Mr. Kirkup has written a previous work, and as that work deals with Socialism from the first of these three supposed stand-points, the present volume does not attempt intrusion into the province of its predecessor. But which of the latter two ways of handling